

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:

Canopy Financial, Inc.

Debtor.

Case No. 09 B 44943

Chapter 7

FINDINGS OF FACT AND CONCLUSIONS OF LAW IN SUPPORT OF ORDER AWARDING TO  
SPERLING & SLATER P.C., ATTORNEYS FOR GUS A. PALOIAN, FOR ALLOWANCE AND  
PAYMENT OF INTERIM COMPENSATION AND REIMBURSEMENT OF EXPENSES

TOTAL FEES REQUESTED: \$268,680.12  
TOTAL FEES REDUCED: \$0.00  
TOTAL FEES ALLOWED: \$268,680.12

TOTAL COSTS REQUESTED: \$32,326.14  
TOTAL COSTS REDUCED: \$254.20  
TOTAL COSTS ALLOWED: \$32,071.94

**TOTAL FEES AND COSTS ALLOWED: \$300,752.06**

The attached and expense entries have been underlined to reflect disallowance in whole or in part. The basis for each disallowance is reflected by numerical notations that appear on the left of each underlined entry. The numerical notations correspond to the enumerated paragraphs below.

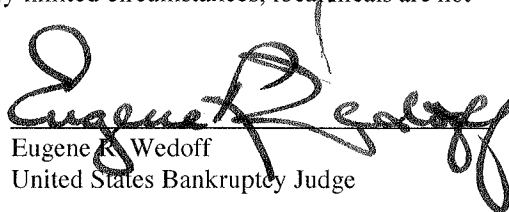
**(3) Reimbursement Limited to Actual, Necessary Expenses**

The Court denies the allowance of reimbursement for expenses that were not actually and necessarily incurred by the applicant. *See* 11 U.S.C. §§ 330(a)(1)(B) & 331. The fee application fails to demonstrate that the requested expenses for photocopies or facsimiles (or both) were actual out-of-pocket disbursements and that the quoted rates were necessary in light of prevailing (and lower) commercial rates. In the absence of such proof, the Court will allow reimbursement of photocopy expenses at a rate of \$.10 per page in accordance with prevailing commercial rates and will not allow expenses for facsimiles.

**(6) Meal Expenses**

The Court denies the allowance of reimbursement of this meal expense. *In re Covent Guardian Corp.*, 103 B.R. 937, 942 (Bankr. N.D. Ill. 1989) ("[I]t is highly unlikely that counsel could prove that the meal expenses were reasonably necessary for the proper representation of the debtor . . . If the attorney were not working on the case, he would still have to eat. Accordingly, the Court finds that, except in very limited circumstances, local meals are not reasonably necessary for the proper representation of the client.").

Dated: September 26, 2012

  
Eugene R. Wedoff  
United States Bankruptcy Judge

Canopy Financial, Inc.

Page: 25  
08/20/2012  
1102-001M  
1

ACCOUNT NO:  
STATEMENT NO:

Claims Against Professionals

		Rate	HOURS	
MHR	Meet with GS re mediation. (.1)	365.00	0.10	36.50
07/25/2012				
GS	(W) - Expert work.	675.00	0.10	67.50
MHR	Research re potential expert witness (.5).	365.00	0.50	182.50
07/26/2012				
MHR	Telephone conference with counsel for 2004 examinee	365.00	0.10	36.50
MHR	Telephone conference with counsel for 2004 examinee re mediation (.2); e-mail with GS re mediation (.1).	365.00	0.30	109.50
07/27/2012				
GS	(W) Draft pleading/brief.			
	(K) - Draft contract (.1); work on settlement (.1).	675.00	0.40	270.00
MHR	Meet with GS re mediation (.1)	365.00	0.10	36.50
07/31/2012				
MHR	Draft adversary complaint (1.2); legal research re applicable standard of care (2.0).	365.00	3.20	1,168.00
GS	(K) - Telephone conference with client (.2); work on procedural/strategy issues (.1).			
	KPMG - Work on settlement (.2); draft contract (.3).	675.00	0.50	337.50
APM	Review proposed Settlement Agreement with KPMG (.40); confer with G. Paloian and GS re same (.10).	485.00	0.50	242.50
	FOR CURRENT SERVICES RENDERED		783.65	337,560.25
	CLIENT COURTESY DISCOUNT			-168,780.13
	Net Fees after Courtesy Discount			168,780.12

RECAPITULATION

TIMEKEEPER	Hours	Hourly Rate	TOTAL
Bruce S. Sperling	8.40	\$950.00	\$7,980.00
Matthew Fleming	138.25	245.00	33,871.25
Steven C. Florsheim	2.40	675.00	1,620.00
Greg Shinall	135.90	675.00	91,732.50
Adam P. Merrill	169.70	485.00	82,304.50
Eamon P. Kelly	1.10	335.00	368.50
Matthew H. Rice	327.90	365.00	119,683.50

<del>Photocopy-charged at .20 per copy</del>	<del>508.40</del>
Conference calls	112.95
Witness fees	85.94
Court reporter/depositions/transcript fees	4,386.41
Travel expenses	831.37
Airline Travel	2,219.00
Hotel/Lodging	2,407.13
Express mail/FedEx, UPS	1,809.90
Westlaw	2,983.96
Hemming Morse, LLP Certified Public Accountants-expert services	4,765.00
Iris Data Services- custom duplication of client provided data and creation of tool to complete DOCID	4,000.00

Meal?